

## **Introduction**

The Department of Mental Health of Los Angeles County provides comprehensive services to more than 250,000 individuals who have been affected by mental illnesses. A full array of mental health services, including psychiatric medication, is available to people served by the DMH. While psychiatric medications are a necessary and integral component of comprehensive mental health services, such medications are costly. The estimated cost of providing psychiatric medications to DMH clients is \$100,000,000 per year. Of this amount, \$40,000,000, or 40%, must be taken from the County General Fund to pay for medications of indigent clients.

Indigent clients are those individuals who do not have health coverage to cover the cost of their medication. These clients may be unemployed because of their mental illness, or may be employed yet earning an income that is below the level needed to pay the high cost of their medications. The DMH is committed to providing mental health services to individuals whose mental illness impairs their ability to function in the community, regardless of their ability to pay. Because of reductions in the funding of mental health services over the years, it has become critically important to find ways of providing needed services more efficiently and productively. Reducing overall expenditures has become a priority; reducing the expenditures on indigent clients' medications has become a necessity.

The problem of reducing high indigent medication expenditures has been assigned to the Medical Director of the DMH. The Office of the Medical Director is responsible for psychiatrist services as well as pharmacy services. Patient Assistance Programs (PAPs) are psychiatrist-driven. . Reducing some of the DMH expenditures on medications for indigent clients is needed in order to utilize those expenditures for other critically needed mental health services. The Indigent Medication Program (IMP) was conceptualized as a means of reducing these expenditures.

## **Description**

### **Objectives**

As a result of the implementation of the IMP, (1) each DMH clinic shall achieve a target of expenditure reductions for medications for indigent clients served, (2) Patient Assistance Programs available through the pharmaceutical industry shall be utilized

throughout the Department of Mental Health, and (3) aggressive benefits establishment services shall be provided to clients who are participating in the IMP.

### The Process

Through the DMH Indigent Medications Program, pharmaceutical companies provide medications at no cost to clients who are unable to pay for their medications. To begin the process, the client applies for the appropriate Patient Assistance Program with the help of the IMP staff who are familiar with the eligibility criteria for each pharmaceutical company. The DMH psychiatrist then writes the prescription onto the client's PAP application, and the IMP Patient Financial Services Worker (PFSW) sends the application to the appropriate pharmaceutical company by Fax. A copy of the application is also faxed to the DMH Pharmacy Services office for tracking and monitoring.

An identifier ("Y") is entered into the client's information screen in the Integrated System (DMH electronic information system) first, and then the prescription is entered into the DMH Prescription Authorization and Tracking System (PATs,) a component of the IS. The "Y" identifier appears on the client's PATs prescription screen, indicating that the dispensing pharmacy will not be reimbursed for the medication dispensed. (The pharmacy receives a dispensing fee, but not reimbursement for the medication.) The client may fill the prescription at a DMH contract pharmacy on the same day that it is written. There is no delay or alteration in the way the client has always filled his/her DMH prescription. This is important because the people with severe and persistent mental illnesses that are served by the DMH are often unable to wait for their medications, due to behavioral and cognitive impairments associated with their illnesses.

Upon determining the client's eligibility, the pharmaceutical company sends the prescribed medication to the DMH Pharmacy Services Office. The DMH Pharmacy is a facility that is licensed by the State of California; it is under the direction of a Registered Pharmacist. Medications are logged in by Pharmacy Services staff and are then sent to the dispensing contract pharmacy to replace the medications given to the client. Medications are sent to dispensing pharmacies only after the Pharmacy Services staff determines through the PATs that certain criteria are met: (1) the prescription has been dispensed, and (2) the pharmacy has not been paid for the dispensed medications. The

PATS is checked each time a PAP medication is received in the DMH Pharmacy to determine that these criteria are met.

### **Included Medications**

Medications included in the IMP were selected for the high volume prescribed and the high cost. Prescribing patterns and costs were analyzed and five medications were determined to meet the high-cost, high-volume criteria. It is anticipated that all psychiatric medications will be included in the IMP when clinics have become proficient in applying for these initially selected medications. The table below shows the current medications included in the IMP.

<b>MEDICATION</b>	<b>GENERIC</b>	<b>PHARMACEUTICAL COMPANY</b>
Zyprexa	Olanzapine	Eli Lilly
Risperdal	Risperidone	Janssen
Geodon	Ziprasidone	Pfizer
Abilify	Aripiprazole	Bristol Meyers Squibb
Effexor XR	Venlafaxine	Wyeth

### **Eligibility**

Clients who are identified by DMH staff as eligible for PAPs are those individuals who are unable to pay for their medications, usually because they do not have Medi-Cal or other insurance with prescription coverage. In addition, clients who are not eligible for SSI and/or Medi-Cal benefits due to their residency or income status are eligible for certain PAPs.

Eligibility for PAPs is determined in two ways. First, clients are financially screened upon intake and annually at each DMH clinic. Indigent clients are identified by a financial screener and the psychiatrist is informed of the client's eligibility for a Patient Assistance Program. Second, existing indigent clients are identified through a monthly report of indigent medications prescribed (HMHPR 934.) The monthly 934 report is available on the DMH Intranet. The IMP Patient Financial Services Worker (PFSW) assigned to each clinic reviews the (HMHPR 934) every month and then checks to determine eligibility for Patient Assistance Programs. If the person is eligible for any of these programs applications are completed and placed in the charts for signatures from the client and the psychiatrist. These forms once signed are then mailed or faxed to the

pharmaceutical foundation. The PFSW will monitor and follow up when new applications or attestation forms need to be completed and placed in the client's record.

The use of Patient Assistance Programs has saved the DMH since the inception of the IMP Program over six million dollars. That is a cost savings that can be used for more direct services to persons who need world class mental health care.